

MD	✓			ERC	✓
CS	✓			DBP	✓
RO	✓			DTI	✓
TRA	✓			AC	✓
ACM	✓	✓		SME	✓
YE	✓	✓	✓		



HOTEL
LEELAVENTURE LIMITED
R E P O R T
1996-97



M I S S I O N S T A T E M E N T

Hoteliering has gone beyond the status of an industry.

It is today an art form. It starts with Innovation, continues the search for Excellence, and finally celebrates Perfection. These are precisely the three pillars on which The Leela Group has built its reputation.


- Innovation
- Excellence
- Perfection

They also represent the three faces of modern India.

The India which dares to take on the world with its world class technology, its great tradition enriched over the centuries and its obsessive desire to be hospitable to travellers from all over the world.

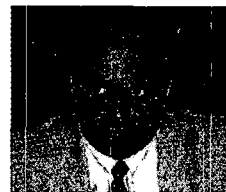
But beyond all this is the simple fact : We love and enjoy people.

It is this that has made us what we are. It is this that must inspire us in the years to come.



Capt. C. P. Krishnan Nair
Chairman
Hotel Leelaventure Limited

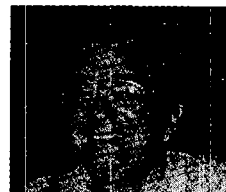
BOARD OF DIRECTORS



Mr. Vivek Nair



Mr. Dinesh Nair



Dr. Gunter Berendt



Mrs. Anna Malhotra



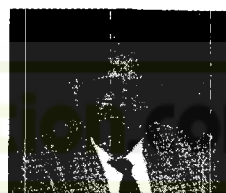
Capt. C. P. Krishnan Nair
Chairman



Air Vice Marshal
H. M. Shahul



Mr. M. Narasimham



Dr. K. U. Mada



Mr. P. C. D. Nambiar



Mr. Vijay Amritraj



Ms. Thangam E. Philip



Mr. D. M. Harish



Mr. Rajesh Narang



Mr. P. J. Fernandes



Mr. P. S. Nair





M A N A G E M E N T

Mr. Vivek Nair	Vice - Chairman & Managing Director
Mr. Dinesh Nair	Joint Managing Director
Mr. V. Balachandran	Director (Administration)
Mr. Madan Misra	Senior Vice - President (Operations)
Mr. A. W. Khandekar	Senior Vice - President (Projects)
Mr. Dieter Janssen	Regional Vice - President Four Seasons Resort - The Leela Beach Goa
Mr. Christopher Newbery	General Manager (Operations) The Leela Mumbai
Mr. R. P. Shroff	General Manager (Finance & Secretarial)
Mr. Samuel Moses	General Manager (Personnel)
Mr. Deepak Lalvani	General Manager (Corporate Affairs)
Brig. N. K. Bajaj	General Manager (Bangalore Project)
Mr. Xerxes Mistry	General Manager (Mumbai Project)
Mr. M.L. Rathi	General Manager (Commercial)
Mr. A. Jithendran	Deputy General Manager (Finance)
Ms. Vanita Saxena	Regional Manager (Sales & Liaison)
Mr. J. V. Athavale	Company Secretary
Mr. S. Damodaran	Project Manager (Bangalore Project)
Auditors	Picardo & Co. Chartered Accountants
Bankers	State Bank of India State Bank of Travancore Bank of Baroda Global Trust Bank
Solicitors	Kanga & Co.
Legal Advisor	Mr. Francis Matthew
Registered Office	The Leela, Sahar, Mumbai - 400 059.

C H A I R M A N ' S S T A T E M E N T

A Time for Celebrations, A Pledge for Tomorrow.

DEAR SHAREHOLDERS,

It is my pleasure to welcome you to the 16th Annual General Meeting of our Company.

This year is a time for celebrations. We celebrate a glorious decade of The Leela at Mumbai, which has transformed the entire hospitality industry in India and matched global standards in excellence. But, for us, the past is never enough. We have set sail this year, to conquer new worlds. To set up hotels in other great cities of India, with one of the world's most renowned groups - The Four Seasons Hotels and Resorts.

A TIME FOR CELEBRATION

As I said earlier, this year is auspicious for us. On April 11, we celebrated the 10th Anniversary of The Leela at Mumbai, in a grand manner. Outstanding artistic performances, great food festivals and international celebrity guests rubbing shoulders with each other made this anniversary a grand occasion to showcase our genius for perfection

and quality. Our patrons shared this moment of glory with us and throughout the week-long festivity, we remembered with great pride, our humble beginnings and your contribution towards making this Company the great success story it now is.

This year, we are also poised to reopen The Leela Beach at Goa, redesigned as a Four Seasons Resort. As you know, this resort is listed among the Leading Hotels of the World and has won for us, the prestigious Green Hotelier Award from the International Hotel and Restaurant Association, Paris. Situated near an emerald green sea, the Leela Beach at Goa will now be reincarnated as a summer palace in the glorious architectural tradition of Hampi in the 13th century. It will be a historic masterpiece of design, superlatively engineered in convenient, contemporary terms, to offer standards of luxury and hospitality as yet not experienced in India. We are proud to be a part of this venture. With a group

that has earned its spurs for excellence, world-wide.

You may recall that this property was once, before the creation of The Leela Beach, a desolate stretch of land. Now, with the wonderful design and the dedication of our landscape artists, the entire place has been magically transformed. The resort is full of rare medicinal plants and spice trees and creepers. It also boasts exotic orchids, anturiums, temple blossoms of different hues and gerberas collected from all over the world. These plants and flowers that we have grown with so much love and care bring incredible beauty to all our hotels and embellish them with rare colours and fragrances. They also set The Leela Beach at Goa apart from all the other properties in the region.

At the same time, deriving strength from this obsession for quality and excellence, The Leela Mumbai has won the most prestigious award of the hotel and hospitality industry for 1995 - 96: The

National Tourism Award. This honour comes to us



Chairman, Capt. C. P. Krishnan Nair with the National Tourism Award.

because of our total devotion to the highest standards of food and service, a clear commitment to India's rich culture and art, and (what pleases me most) our role in the greening of the Sahar belt of Mumbai. One more feather in the cap for The Leela at Mumbai was the award for the Best Luxury Business Hotel of the Year for Foreign Business Travellers from the Hotel and Food Service Review.

But celebrating the past is not enough.

This year saw two more celebrations. For the future. These marked the opening of our two new ventures. To reaffirm our leadership in the top end of this highly competitive business. Both ventures involve The Four Seasons Hotels and Resorts. Both attempt to spearhead India into the global market for worldclass hospitality.

The Four Seasons Leela Palace at Mumbai and The Four Seasons Leela Palace at Bangalore are two great new hotels that will reinforce India's presence on the world tourism map.

The Four Seasons Resort, Leela Beach at Goa and these two new hotels coming up in Mumbai and Bangalore reveal our concern to stay ahead of everyone in the luxury hotel segment. That is precisely the reason why we have chosen to bond with the Four Seasons Hotels and Resorts, considered to be the most prestigious luxury hotel group in the world. Together, we plan to introduce the seven star luxury hotel concept in India in the coming years.

You will be also proud to know that I have been

nominated a member of the Board of Directors of The Pacific Asia Travel Association. This is a dream fulfilled for me. This recognition from PATA, one of the most respected and prestigious bodies in the travel and tourism industry in the world, is a great honour for us.

A COMMITMENT TO THE FUTURE

All these happenings within our Group are not in isolation. They prove that India, now celebrating 50 years of independence, is readying for the next millennium. To receive more tourists and corporate travellers than ever before. To grow and move ahead as never before.

The Government of India's Department of Tourism has announced ambitious plans to create a strong infrastructure in many parts of the country to attract a higher number of visitors to India. The Foreign exchange laws are also being changed to encourage more travel and investment. This will reinforce tourism and corporate travel. The states where we have properties, Maharashtra, Goa and

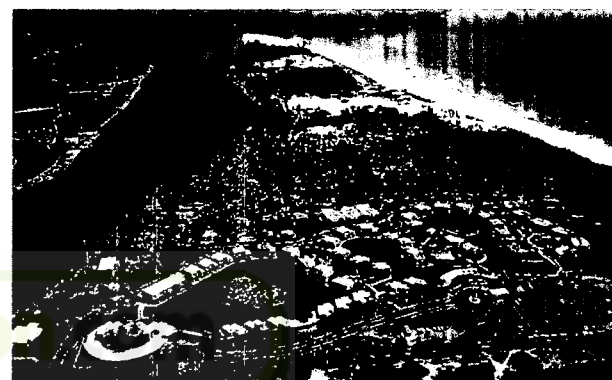
Karnataka, are progressing at an unprecedented pace with new rail networks, roads and bridges, new water sports complexes and other resorts, wild life sanctuaries, new air links and new airports and more attractive shopping and trading opportunities. This also confirms the fact that we have taken the right investment decisions.

With the reins of Government in the hands of a seasoned statesman like Prime Minister I. K.

Gujral and with Finance Minister P. Chidambaram's popular forward looking budget proposals for 1997-98 being welcomed by all sections of industry and business, we look forward to a year of peace, stability and continued progress through new policies and their implementation.

A comment of mine, in a recent interview, has been widely quoted in the media. "Look to the new millennium", I said, "for it will belong to India". We are now just three

years away from our rightful destiny - our grand entry into the world markets as an industrial giant to be seriously reckoned with. Our agricultural sector is becoming richer by leaps and bounds. Our foodgrains production is rising and will, this year hopefully reach an all time high. We are the fourth largest fruit growing



An aerial view of Four Seasons Resort - The Leela Beach, Goa

nation in the world and soon a flower growing country as well. India is being ranked among the five strongest nations in the world in terms of Gross Domestic Product.

BUILDING CORE STRENGTHS

We, in The Leela, have been ardent believers in the future of our country. We use the best of India's produce. We create an excellent network of services. Our corporate talent is extremely capable and ready to take a quantum leap into the future. In this,

the golden jubilee year of our Independence.

In a year, otherwise termed as politically turbulent, we have outperformed others in the hospitality sector. Our Net Realisation per Room per Day in The Leela at Mumbai (described in industry circles as ARR) shot up by 31 per cent this year, thanks largely to our increased corporate clientele. Another indication is occupancy. Here too, The Leela in Mumbai has outperformed everyone else. This, despite the fact that North Mumbai, where our property is sited, was traditionally seen as far from downtown Mumbai.

What will please you to know, is that, in a sense, The Leela has become the hub for commercial activity in North Mumbai. Many new industries like electronics, pharmaceuticals, engineering, media and information technology have relocated themselves in the area next to The Leela and there is a spurt of fresh activity in MIDC, SEEPZ and Mahakali, all near to where we are. Sony, Star TV, Kellogg's, Enron, Boeing, McDermott Engineering, DHL Couriers, Bayer,

Chemtex, LG Electronics, Zee TV and Federal Express are among the many well known corporates who have moved to this part of the city to make it Mumbai's hottest growth zone. We, in our humble way, would like to take some credit for this growth and industrial dispersal, both avowed objectives of the Maharashtra Government and the Brihanmumbai Municipal Corporation.

It is this growth in North Mumbai and the example of The Leela's success story that has prompted large majors such as the Hyatt, Hilton, Sheraton and the Taj to set up hotels in the vicinity of The Leela.

What we have always looked for is opportunity.

As India opens up, and the world responds to this great new challenge, your Company will also grow, flower and reach its full potential. The leaders of the nation, corporate giants and famous celebrities patronise our hotels because we stand for the best that India has to offer the world. In return, we pledge ourselves to the highest standards of excellence. We promise

to meet their expectations by putting up great new hotels nationwide.

Hotels that India will be proud of.

A PLEDGE FOR TOMORROW

I have great faith in the future of India.

We are a strong, united nation with a powerful culture and identity. Our energetic young people have tremendous capability. And, slowly, like a huge, lumbering giant, we are opening up this great nation and unleashing the potentiality of our people. In another three years, with age-old controls dismantled and dynamic new forces pushing ahead, India will change dramatically. It will be the nation of tomorrow.

It is hoped that Tourists and Business visitors to India will reach 10 million by the turn of the century. Towards this end, governmental agencies and institutions as well as private corporations are revitalising their policies and action plans. Our

hotels will benefit from this overall growth with the result that, in the years ahead, we will show better profits and a higher performance.

Our promise to you is that we shall together fashion a great future and work to realise it. I have often said that to be better than others is a minor goal. Our greatest challenge comes from within.



The Leela, Mumbai

I want this Company to be truly great by the dint of our hard and focused efforts.

We are already a successful company today. But I am sure you will join me in our determination to make it even better, stronger driven, by the future of this great nation of ours !

Krishnan Nair

Capt. C. P. Krishnan Nair
CHAIRMAN
Mumbai, 14 June 1997



NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of Hotel Leelaventure Limited will be held at 11.00 a.m. on Saturday, 16th August, 1997 at Shree Bhaidas Maganlal Sabhagriha, U-1, Juhu Development Scheme, Vile Parle (W), Mumbai - 400 056 to transact the following business:-

Ordinary Business

1. To consider the Audited Balance Sheet as at 31st March, 1997 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To confirm the payment of interim dividend on Cumulative Redeemable Preference Shares as final dividend.
3. To declare dividend on Equity Shares.
4. To appoint a Director in place of Capt. C. P. Krishnan Nair who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Vijay Amritraj who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Ms. Thangam Philip who retires by rotation and being eligible, offers herself for re-appointment.
7. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business

8. To appoint Mr. P. S. Nair as a Director of the Company.
9. To consider and, if thought fit, to pass with or without modification, as an Ordinary Resolution the following :-

“RESOLVED THAT the Authorised Share Capital of the Company be increased from Rs. 80,00,00,000 (Rupees Eighty Crores) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs. 10 (Rupees Ten) each and 30,00,000 (Thirty Lakhs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each to Rs. 110,00,00,000 (Rupees One Hundred and Ten Crores) divided into 5,00,00,000 (Five crores) Equity Shares of Rs. 10/- (Rupees Ten) each and 60,00,000 (Sixty Lakhs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each by creation of 30,00,000 (Thirty Lakhs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each and consequently the existing Clause V of the Memorandum of Association of the Company, relating to Share Capital be and it is hereby altered by deleting the same and substituting in its place and stead, the following as new clause V :

- V The Authorised Share Capital of the Company is Rs. 110,00,00,000 (Rupees One Hundred and Ten Crores) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs. 10/- (Rupees Ten) each and 60,00,000 (Sixty Lakhs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each with the rights, privileges and conditions attached thereto as provided by the regulations of the Company for the time being in force and with power to increase and reduce the Capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential

rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.”

10. To consider and, if thought fit, to pass with or without modification, as a Special Resolution the following :-

“RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Article 3 of the Articles of Association of the Company be and it is hereby substituted with the following :-

“The Authorised Share Capital of the Company is Rs. 110,00,00,000 (Rupees One Hundred and Ten Crores) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs. 10/- (Rupees Ten) each and 60,00,000 (Sixty Lakhs) Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred) each”.

11. To consider and, if thought fit, to pass with or without modification, as a Special Resolution the following :-

“RESOLVED THAT in accordance with the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof, for the time being in force), and the relevant provisions in the Memorandum and Articles of Association of the Company and subject to the approvals, consents and permissions wherever necessary of the appropriate authorities and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents and permissions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”) and/or a duly authorised Committee thereof, the consent of the Company be and it is hereby accorded to the Board to issue, offer and allot Redeemable Preference Shares of the face value of Rs. 100/- each of an aggregate amount not exceeding Rs. 30 crores to be redeemed at any time after one year but not later than ten years from the date of allotment as may be decided by the Board in accordance with the terms of the issue and in accordance with the provisions of the Companies Act, 1956 either by way of rights to the shareholders/warrantholders or in one or more private offerings by private placement, public offering or by any combination thereof or otherwise, to any of the financial institutions - Indian or Foreign, Banks, Non-Resident Indians, Overseas Corporate Bodies, Mutual Funds, Companies, Bodies Corporate, including promoter/group/associate companies, shareholders and employees of associate and group companies, individuals and other entities or any combination thereof whether shareholders/warrantholders of the Company or not on such terms and conditions and in such tranches as the Board may at its sole discretion at any time hereafter decide.”

“RESOLVED FURTHER THAT without prejudice to the generality of the above, the Board be and it is hereby authorised to determine as to when the said Preference Shares are to be issued, the type or types of the Preference Shares to be issued, and classes of investors to whom the Preference Shares are to be offered, the number and value of the Preference Shares to be issued in each tranche, the terms or combination of terms subject to which the Preference shares are to be issued, including but not limited to terms relating to dividend, premium on redemption or premature or early redemption at the option of the Company and/or the investor, terms for cumulation of dividends and all such terms as are provided in offerings of like nature.”